

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

Vote No. 517

October 26, 1995, 11:55 a.m.  
Page S-15831 Temp. Record

## BALANCED BUDGET RECONCILIATION/Tax Deferral & Imported Property

**SUBJECT:** Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Exon motion to waive the Budget Act for the consideration of the Dorgan amendment No. 2977.

### ACTION: MOTION REJECTED, 47-52

**SYNOPSIS:** As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

**The Dorgan amendment** would amend the current-law deferral for United States shareholders on income from controlled foreign corporations by eliminating the deferral for income that is attributable to property imported into the United States.

Debate on a first-degree amendment to a reconciliation bill is limited to 2 hours. By unanimous consent, debate was further limited on the Dorgan amendment. Following debate, Senator Domenici raised the point of order that the Dorgan amendment contained non-germane material and thus violated the Budget Act. Senator Exon then moved to waive the Budget Act for the consideration of the Dorgan amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. Following the failure of the motion to waive, the point of order was upheld and the amendment thus fell.

**Those favoring** the motion to waive contended:

Under current law, corporations can defer taxes on income if they invest that income overseas. When the money is repatriated it is taxed. In practice, this right to defer is being used to export American jobs. Companies shut down their domestic factories to build factories overseas and they then import the products from those factories into the United States for sale. The money is never repatriated, so the deferred taxes are never paid on the income that is used to build those overseas factories. We may not be able to stop companies from exporting jobs, but we can stop giving them tax deferrals to build overseas factories that make products to sell

(See other side)

YEAS (47)			NAYS (52)			NOT VOTING (0)	
Republicans (3 or 6%)	Democrats (44 or 96%)		Republicans (50 or 94%)	Democrats (2 or 4%)		Republicans (0)	Democrats (0)
Cohen	Akaka	Inouye	Abraham	Helms	Baucus	<b>EXPLANATION OF ABSENCE:</b> 1—Official Buisiness 2—Necessarily Absent 3—Illness 4—Other  <b>SYMBOLS:</b> AY—Announced Yea AN—Announced Nay PY—Paired Yea PN—Paired Nay	
Snowe	Biden	Johnston	Ashcroft	Hutchison	Moynihan		
Stevens	Bingaman	Kennedy	Bennett	Inhofe			
	Boxer	Kerrey	Bond	Jeffords			
	Bradley	Kerry	Brown	Kassebaum			
	Breaux	Kohl	Burns	Kempthorne			
	Bryan	Lautenberg	Campbell	Kyl			
	Bumpers	Leahy	Chafee	Lott			
	Byrd	Levin	Coats	Lugar			
	Conrad	Lieberman	Cochran	Mack			
	Daschle	Mikulski	Coverdell	McCain			
	Dodd	Moseley-Braun	Craig	McConnell			
	Dorgan	Murray	D'Amato	Murkowski			
	Exon	Nunn	DeWine	Nickles			
	Feingold	Pell	Dole	Pressler			
	Feinstein	Pryor	Domenici	Roth			
	Ford	Reid	Faircloth	Santorum			
	Glenn	Robb	Frist	Shelby			
	Graham	Rockefeller	Gorton	Simpson			
	Harkin	Sarbanes	Gramm	Smith			
	Heflin	Simon	Grams	Specter			
	Hollings	Wellstone	Grassley	Thomas			
			Gregg	Thompson			
			Hatch	Thurmond			
			Hatfield	Warner			

in the United States. We urge our colleagues to vote for American jobs by voting in favor of the Dorgan amendment.

**Those opposing** the motion to waive contended:

We have no sympathy for companies that shut down domestic factories, build foreign factories, and then ship the products from those foreign factories to the United States. However, we note that the Dorgan amendment would be incredibly difficult to enforce. For example, how would we determine the portion of a controlled foreign corporation's income that was attributable to products sold in the United States if it sold dozens of products worldwide, and if its assets were not solely from deferred income? This area of trade policy is extremely complex. We want to encourage American businesses to compete in foreign markets, but we do not want them to become in effect foreign competitors that steal American jobs. This reconciliation bill purposely avoids this issue and other issues relating to taxes and foreign trade in order to give the Finance Committee time to hold hearings on how best to resolve problems in this area. The Chairman of the Committee has committed to holding those hearings. Rather than passing an unenforceable solution to a very real problem, we urge our colleagues to vote against this amendment and to give the Finance Committee time to devise a workable solution.